

## Remarks

### 35 U.S.C. § 101 Rejection of Claims

In the 9 March 2006 office action, claims 157 – 181 and 201 - 213 are rejected under 35 U.S.C. § 101 as being unpatentable because the Examiner alleges that the disclosed invention is inoperative and therefore lacks patentable utility. More specifically, the Office Action states that the “the claims are directed to measuring risk using quantifying risks which includes such elements as brand, customer relationship, employee relationship, alliance, etc which are not quantifiable.” In what appears to be an attempt to provide a rationale for this arbitrary and capricious statement, the Office Action goes on to state:

How a brand is quantified? For example, who knew that GE brand will do better business than another company, or Google stocks will shoot to \$300. How these are quantified? Similarly, employee relation, alliance, etc. Is the quantifying these value are repeatable? If so how, how an ordinary skill in the art can use this invention and repeat the process and come to similar conclusion.

The Assignee will respectfully traverse these rejections in three ways. First, by noting that the Examiner has failed to establish a prima facie case of non utility. Second, by noting that the assertions regarding the alleged lack of utility are not in compliance with the requirements of the Administrative Procedures Act and are therefore moot. Third, by noting that most of the rejected claims are not affected by the apparent basis for an alleged lack of patentable utility

As mentioned previously, the Examiner has failed to establish a prima facie case of non utility for the rejected claims. MPEP 2164.07 states “the examiner has the initial burden of challenging an asserted utility. Only after the examiner has provided evidence showing that one of ordinary skill in the art would reasonably doubt the asserted utility does the burden shift to the applicant to provide rebuttal evidence sufficient to convince one of ordinary skill in the art of the invention's asserted utility. In re Brana, 51 F.3d 1560, 1566, 34 USPQ2d 1436, 1441 (Fed. Cir. 1995) (citing In re Bundy, 642 F.2d 430, 433, 209 USPQ 48, 51 (CCPA 1981)). The Assignee respectfully submits that the Examiner has not

provided any evidence to support his assertions. Instead, he has simply made an arbitrary and capricious statement and asked four questions. The tables below identify some of the missing evidence associated with assertion of non utility.

Office Action Question	Missing evidence includes:
1) How a brand, employee relation, alliance, etc. is quantified (when they allegedly can't be quantified)?	1) evidence that the quantification of brands, employee relations, alliances, etc. is something that those of average skill in the art would doubt, 2) evidence that the quantification of brands, employee relations, alliances, etc. using the specified method and/or system is something that those of average skill in the art would doubt, and 3) evidence that quantification of a brand, employee relation, alliance, etc. is required for the operation of the claimed invention
2) Who knew that GE brand will do better business than another company?	1) evidence that knowing that GE brand will do better business than another company is something that those of average skill in the art would doubt; 2) evidence that knowing that GE brand will do better business than another company using the specified method and/or system is something that those of average skill in the art would doubt; and 3) evidence that knowing that GE brand will do better business than another company is required for the operation of the claimed invention

Office Action Question	Missing evidence includes:
3) (Who knew) Google stocks will shoot to \$300?	1) evidence that knowing Google stocks will shoot to \$300 is something that those of average skill in the art would doubt; 2) evidence that knowing Google stocks will shoot to \$300 using the specified method and/or system is something that those of average skill in the art would doubt; and 3) evidence that knowing that Google stocks will shoot to \$300 is required for the operation of the claimed invention
4) If so, is the quantifying these values (1, 2 and/or 3) are repeatable?	1) evidence that quantifying these values (1, 2 and/or 3) repeatably is something that those of average skill in the art would doubt, 2) evidence that quantifying these values (1, 2 and/or 3) repeatably using the specified method and/or system is something that those of average skill in the art would doubt, and 3) evidence that quantifying these values (1 – 3) repeatably is required for the operation of the claimed invention

The Assignee hereby requests an affidavit (in accordance with the provisions of 37 C.F.R. 1.104) detailing the facts in the personal knowledge of the Examiner or anyone else in the Office that were used to support the conclusion that the value and/or risk associated with certain elements of value can not be quantified. The Assignee would also like to point out that while the Office Action does not contain any evidence to support the challenge of asserted utility, the Office Action does contain substantial evidence that the specification, drawings and claims associated with the above referenced application have not been reviewed by those of average skill in the relevant arts. This failure will be discussed in

more detail in the portion of the remarks that discusses the § 112 rejections.

As noted previously, the second way the Assignee will traverse the § 101 rejections of claims 157 – 181 and 201 – 213 is by noting that the assertions regarding the alleged lack of utility are not in compliance with the requirements of the Administrative Procedures Act and are therefore moot. In *Dickinson v. Zurko*, 119 S. Ct. 1816, 50 USPQ2d 1930 (1999), the Supreme Court held that the appropriate standard of review of PTO findings of fact are the standards set forth in the Administrative Procedure Act ("APA") at 5 U.S.C. 706 (1994). The APA provides two standards for review – an arbitrary and capricious standard and a substantial evidence standard. The Supreme Court has defined substantial evidence as shown below:

Substantial evidence is more than a mere scintilla. It means such relevant evidence as a reasonable mind might accept as adequate to support a conclusion. . . . Mere uncorroborated hearsay or rumor does not constitute substantial evidence. Consolidated, 305 U.S. at 229-30 (citations omitted)

The Assignee respectfully submits that the instant Office Action fails to provide even a scintilla of evidence to support the allegation of non utility it contains and that as a result it fails to meet the substantial evidence standard. The First Federal Circuit determined that the substantial evidence standard was the appropriate standard for any review of PTO findings (In re Gartside 203F.3d 1305, 53 U.S.PQ2d 1769 (Fed Circuit 2000)).

The Assignee respectfully submits that the 9 March 2006 Office Action also fails to pass the arbitrary and capricious test. In the Gartside decision (In re Gartside 203F.3d 1305, 53 U.S.PQ2d 1769 (Fed Circuit 2000)) the First Federal Circuit discussed the arbitrary and capricious standard when it noted:

Because this standard is generally considered to be the most deferential of the APA standards of review, (see *Stein et al.*, Administrative Law 51.03, at 51-117 (1999)) the reviewing court analyzes only whether a rational connection exists between the agency's fact findings and its ultimate action, (see *Hyundai Elecs. Indus. Co. v. ITC*, 899 F.2d 1204, 1209, 14 USPQ2d 1396, 1400 (Fed. Cir. 1990).

On June 8, 2005 the Examiner for the above referenced application rejected a set of

pending claims for cross referenced application 10/329,172 under § 103 that were/are related to quantifying risk by element of value. On page 10 of the 8 June 2005 Office Action the Examiner stated:

Garman discloses assets. Garman does not explicitly disclose where the elements of value are selected from the group consisting of alliances, brands, channels, customers, customer relationships, employees, equipment, intellectual property, partnerships, processes, production equipment, supply chains, vendors, vendor relationships and combinations thereof ...(portion of text omitted by Assignee) However, King discloses these well-known steps as assets (under line added by Assignee)

In the response to the 8 June 2005 Office Action, the Assignee asserted that the Examiner had misrepresented the teachings of King and Garman. In the 2 December 2005 Office Action the Examiner stated that the Assignee needed to read the King and Garman references in their entirety. He also reaffirmed his interpretation of Garman and King by rejecting the same set of claims that related to quantifying risk by element of value. On page 8 of the 2 December 2005 Office Action the Examiner states:

Garman discloses assets. Garman does not explicitly disclose where the elements of value are selected from the group consisting of alliances, brands, channels, customers, customer relationships, employees, equipment, intellectual property, partnerships, processes, production equipment, supply chains, vendors, vendor relationships and combinations thereof ...(portion of text omitted by Assignee) However, King discloses these well-known steps as assets (under line added by Assignee)

As discussed above, the Examiner has rejected all the pending claims for the above referenced application on the basis of his unsupported statement that "the claims are directed to measuring risk using quantifying risks which includes such elements as brand, customer relationship, employee relationship, alliance, etc which are not quantifiable".

The Assignee is understandably mystified by the sudden transformation of the quantification of risks associated with certain elements of value from a well known step to something which can not be done. Absent evidence of a dramatic development in asset valuation and/or risk analysis that supports the Examiner's sudden change in heart, the Assignee respectfully submits that the reasoning described above is not rational. As a result, the findings supported by this apparently irrational reasoning fail to meet the

arbitrary and capricious test established by the Administrative Procedures Act and are therefore moot.

By completely reversing his prior position regarding the ability to quantify risk regarding certain elements of value, the Examiner may be acknowledging that his prior assertions regarding this subject were mistakes or misrepresentations. If this is indeed the case, then the Examiner is requested to provide an affidavit acknowledging the prior mistakes and/or misrepresentation that identifies the reason or reasons for said mistakes and/or misrepresentation.

The third way the Assignee will traverse the § 101 rejections, at least in part, is by noting that almost all of the claims are not affected by the apparent basis for arbitrary and capricious assertion regarding a lack of patentable utility. In particular, claims 157 – 163, 165 – 168, 169 – 176, 178 – 181 and 207 – 213 are not affected by the unsubstantiated assertion made by the Examiner as they do not depend on the quantification of elements of value the Examiner asserts can not be quantified. Accordingly, the Assignee respectfully requests that the Examiner amend the rejection under § 101 to remove these claims. Removing the unwarranted rejection from most of the claims would leave only 10 claims (164, 177, 200 - 206 and 214) as being rejected under § 101.

As noted above, the instant Office Action has failed to establish a prima facie case of non-utility. As such, no rebuttal of the assertions made in the Office Action is required. However, the Assignee will note that there are several ways the assertion can be rebutted including:

- a) citing the Examiner's own arguments made on at least two occasions in cross referenced application 10/329,172;
- b) noting that the Examiner, Applicant, and the Assignee have each provided references that traverse all or part of the apparent basis for the arbitrary and capricious statement that the disclosed invention is inoperative and lacks utility;
- c) noting that the prosecution history of one or more cross referenced applications has provided further evidence that can be used to traverse all or part of the apparent

basis for the arbitrary and capricious statement that the disclosed invention is inoperative and lacks utility; and

d) noting the well known fact that the Financial Accounting Standards Board and International Accounting Standards Boards have recently adopted standards that require the reporting of elements of value that the Examiner has asserted can not be quantified and that the major accounting firms around the world routinely offer services to value intangible elements of value including those that the Examiner alleges can not be valued.

This section of the instant Office Action also contains requests that examples of the calculations be provided. The Assignee notes that it is well established that it is irrelevant whether or not the specification contains illustrative examples (see *In re Wright*, 999 F.2d 1557, 27 USPQ 2d 1510, 1513 Fed. Cir.) and that as a result no examples will be provided. The Examiner also has expressed concern about how concrete the disclosed invention is. The basis for this concern appears to be the Examiner's incorrect assumption that the prices paid by individuals and/or companies that acquire another company in order to change its scale, scope and/or focus are somehow relevant to the claimed invention. A review of the specification shows that this is clearly not the case and that the described method produces results that are tangible, useful and concrete.

### 35 U.S.C. § 112 First Paragraph Rejection of Claims

In the 9 March 2006 Office Action the Examiner has rejected claims 157 – 181 and 201 - 213 under 35 U.S.C. §112 first paragraph as lacking a written description that would enable those of average skill in the art to make and use the claimed invention. Specifically, the Examiner has made an unsupported allegation that the specification does not explain:

- 1) how to measure a plurality of risks;
- 2) identifying one or more risk management activities based upon said risks;
- 3) calculating an amount of capital available for said risk management activities;
- 4) how optimization is done;
- 5) how market value is computed;
- 6) quantification under scenarios including what is normal and extreme, is it arbitrary assumption of historical risk versus an impact of unforeseen event, how is it quantified;
- 7) where learning is explained; and
- 8) how enterprise value and risk is quantified.

The Assignee will respectfully traverse these §112 first paragraph rejections in three ways. First, by noting that the Office Action has failed to establish a prima facie case that the specification does not meet the requirements of §112 first paragraph. Second, by noting that the assertions regarding the alleged lack of written description are not in compliance with the substantial evidence standard of the Administrative Procedures Act and are therefore moot. The third and final way is by noting that the instant Office Action provides evidence that the claims and specification have not been reviewed by those of average skill in the relevant technologies and that as a result the Examiner lacked a reasonable basis for making the rejection.

As mentioned previously, the Examiner has failed to establish a prima facie case that the specification does meet the requirements of §112 first paragraph. As detailed below, the Examiner has failed to establish the prima facie case that the specification does not meet the requirements of §112 first paragraph in at least three ways. MPEP 2163 states

that:

"in rejecting a claim, the Examiner must set forth express findings of fact regarding the above analysis which support the lack of written description conclusion. These findings should:

(A) Identify the claim limitation at issue; and

(B) Establish a *prima facie* case by providing reasons why a person skilled in the art at the time the application was filed would not have recognized that the inventor was in possession of the invention as claimed in view of the disclosure of the application as filed. A general allegation of "unpredictability in the art" is not a sufficient reason to support a rejection for lack of adequate written description."

The first way the 9 March 2006 Office Action fails to establish the *prima facie* case required to sustain a §112 first paragraph rejection is that the Examiner has not identified any reasons why a person skilled in the art at the time the application was filed would not have recognized that the inventor was in possession of the invention as claimed.

Another requirement for establishing a *prima facie* case that the specification does not meet the requirements of §112 first paragraph is that the alleged lack of enablement should produce a need for undue experimentation. The second way the 9 March 2006 Office Action fails to establish a *prima facie* case that the specification does not meet the requirements of §112 first paragraph is that the Office Action gives no indication that any experimentation (reasonable or undue) would be required to produce the claimed results. The Assignee notes that there are still a number of other ways in which the failure to produce a *prima facie* case that the specification does not meet the requirements of §112 first paragraph can be documented. As detailed below, the Assignee has requested that the Examiner produce an affidavit identifying any and all facts and evidence that support these assertions and the associated rejections.

As noted previously, the second way the Assignee will respectfully traverse the §112 rejections of claims 157 – 181 and 201 – 213 is by noting that the assertions regarding the alleged lack of written description are not in compliance with the requirements of the Administrative Procedures Act and are therefore moot. In *Dickinson v. Zurko*, 119 S. Ct. 1816, 50 USPQ2d 1930 (1999), the Supreme Court held that the appropriate standard of review of PTO findings are the standards set forth in the Administrative Procedure Act ("APA") at 5 U.S.C. 706 (1994). The APA provides two standards for review – an arbitrary and capricious standard and a substantial evidence

standard. The Supreme Court has defined substantial evidence as shown below:

Substantial evidence is more than a mere scintilla. It means such relevant evidence as a reasonable mind might accept as adequate to support a conclusion. . . . Mere uncorroborated hearsay or rumor does not constitute substantial evidence. Consolidated, 305 U.S. at 229-30 (citations omitted)

The Assignee respectfully submits that the instant Office Action fails to provide even a scintilla of evidence to support the allegation that the specification does not meet the requirements of §112 first paragraph and that as a result it fails to meet the substantial evidence standard. The First Federal Circuit determined that the substantial evidence standard was the appropriate standard for any review of PTO findings (In re Gartside 203F.3d 1305, 53 U.S.PQ2d 1769 (Fed Circuit 2000)).

As noted previously, the third way the Assignee will respectfully traverse the §112 rejections of claims 157 – 181 and 201 – 213 is by noting that the questions included in the instant Office Action provide evidence that the assessment regarding the alleged lack of enablement was not based on the required review by one or more individuals possessing ordinary skill in the pertinent technologies. The Examiner is also specifically requested to produce an affidavit (in accordance with the provisions of 37 C.F.R. 1.104) detailing any facts that support the contention that the specification fails to explain: how to measure a plurality of risks; identifying one or more risk management activities based upon said risks; calculating an amount of capital available for said risk management activities; how optimization is done; how market value is computed; quantification under scenarios including what is normal and extreme, is it arbitrary assumption of historical risk versus an impact of unforeseen event, how is it quantified; where learning is explained and/or how enterprise value and risk is quantified.

As noted above, the instant Office Action has failed to establish a prima facie case that the specification does not meet the requirements of §112 first paragraph. As such, no rebuttal of the assertions made in the Office Action is required. However, the Assignee will point out that there are a number of ways that the assertion could be rebutted including noting that the prosecution history of a number of cross-referenced applications provides

substantial evidence rebutting the unsupported assertions regarding lack of support. The Assignee has also included a declaration under rule 132 from an individual with skill in the relevant arts in an appeal of the decision contained in the instant Office Action in the hope that doing so would speed the prosecution of this application.

### Information Disclosure Statement

The Assignee notes that the Examiner has for the fourth time failed to return an initialed copy of all of the previously submitted Information Disclosure Statements for the above referenced application. A review of the file shows that as a result, the Examiner has failed to acknowledge eighty six (86) reference documents that were submitted and available for review at the time 9 March 2006 office action was mailed. The Assignee notes that the Examiner has previously acknowledged reviewing almost all of the references cited for this application as they are the same references he already acknowledged reviewing for cross referenced application 10/329,172.

The Assignee has also spent a great deal of time and money arranging to have all the reference documents converted to pdf files and offered to send any missing references to the Examiner via email or fax. The Examiner did not respond to this offer and instead chose to send an Office Action that was/is devoid of evidence and missing signed copies of the previously submitted Information Disclosure Statements. The Examiner is again requested to return the initialed Information Disclosure Statements for the above referenced application.

The Examiner should also note that all materials allegedly "lost" at the U.S.P.T.O. have been replaced (many for the fifth time) along with the handful of references that had not previously been submitted for this application. All references are also available from the electronic files for cross referenced application 10/329,172 which is a child of the above referenced application. Please send an email to [ipcommittee@asset-trust.com](mailto:ipcommittee@asset-trust.com) with a request for any references that are still missing. In most cases the requested references will be uploaded or emailed the same day the request is received.

#### Statement Under 37 CFR 1.111

Amendments to a number of claims are included in the response to the 9 March 2006 Office Action. 37 CFR 1.111 states in part that:

In amending in response to a rejection of claims in an application or patent undergoing reexamination, the Assignee or patent owner must clearly point out the patentable novelty which he or she thinks the claims present in view of the state of the art disclosed by the references cited or the objections made. He or she must also show how the amendments avoid such references or objections.

The Assignee notes that this requirement is not relevant to the instant application because there are no references or objections to avoid as the prosecution to date of the instant application and cross referenced applications has provided substantial evidence that clearly documents the novelty, non-obviousness and newness of the claimed invention and no documents or references that need to be avoided have been identified. Having said that, the Assignee notes that amendments to claims 157 and 169 were made to put the claims in final form for allowance by correcting clerical errors and that the amendment to claim 207 was made to clarify the issues in the appeal that is being filed concurrently.

#### Reservation of Rights

The Assignee hereby explicitly reserves the right to present the modified and/or canceled claims for re-examination in their original format. The cancellation or modification of pending claims to put the instant application in a final form for allowance and issue is not to be construed as a surrender of subject matters covered by the original claims before their cancellation or modification.

### Conclusion

The well documented prosecution history of the instant application and cross referenced application 10/329,172 shows that the Examiner has now failed on seven (7) separate occasions to identify the evidence required to establish a prima facie case that could be used to support the rejection of a single claim under §101, §102, §103 and/or §112. At the same time, the prosecution history plainly shows that the references produced by the Examiner in the seven (7) office actions have provided substantial evidence documenting the novelty, non obviousness and newness of the claimed inventions for producing concrete, tangible and useful results. Given these failures and this evidence, the Assignee respectfully submits that the continued refusal to issue a notice of allowance for the above referenced application is a clear violation of 35 U.S.C. 131.

The pending claims are of a form and scope for allowance. Prompt notification thereof is respectfully requested.

Respectfully submitted,



B. J. Bennett, President Asset Trust, Inc.  
Date: May 5, 2006